

## Message Text

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ORIGIN ARA-20

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UNCLAS STATE 187235

E.O. 11652: N/A

TAGS: PFOR

SUBJ: STATEMENT BY ASSISTANT SECRETARY KUBISCH

1. THE FOLLOWING IS A BASIC STATEMENT PREPARED FOR THE INTRODUCTORY REMARKS BY ASSISTANT SECRETARY KUBISCH BEFORE THE HOUSE SUB-COMMITTEE FOR INTER-AMERICAN AFFAIRS HEARING ON CHILE, SEPT. 20. ADDITIONAL HIGHLIGHTS OF THE HEARING WILL BE SENT TO THE POSTS AS THEY BECOME AVAILABLE.

2. QUOTE MR. CHAIRMAN, MEMBERS OF THE COMMITTEE:

3. I AM VERY HAPPY TO APPEAR BEFORE THIS COMMITTEE TODAY AND DISCUSS RECENT EVENTS IN CHILE AND UNITED STATES POLICY. ALTHOUGH THIS IS MY FIRST FORMAL APPEARANCE BEFORE THE COMMITTEE SINCE BECOMING ASSISTANT SECRETARY OF STATE FOR INTER-AMERICAN AFFAIRS SEVERAL MONTHS AGO, I HAVE MAINTAINED CONTACT WITH THE CHAIRMAN AND HAVE HAD OPPORTUNITIES TO MEET INFORMALLY FROM TIME TO TIME WITH OTHER MEMBERS OF THE COMMITTEE.

4. I APPRECIATE THIS OPPORTUNITY TO MAKE A FEW OPENING REMARKS AND WILL, OF COURSE, BE GLAD TO TRY AND ANSWER AS MANY QUESTIONS AS YOU MAY CARE TO ASK. I WILL ALSO BE MOST INTERESTED IN ANY VIEWS YOU CARE TO EXPRESS AND CAN ASSURE UNCLASSIFIED

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YOU THEY WILL BE CAREFULLY CONSIDERED.

5. THERE MAY BE SOME MATTERS YOU WILL WISH TO COVER THAT SHOULD NOT BE TAKEN UP AT THIS TIME IN A PUBLIC SESSION BECAUSE OF THE STILL EVOLVING SITUATION IN CHILE. HOWEVER, I WANT YOU TO KNOW THAT I AM PREPARED TO DISCUSS AS FULLY AND AS CANDIDLY AS I CAN ALL PERTINENT ISSUES AND IF IT APPEARS THAT SOME OF THESE WOULD BE INAPPROPRIATE FOR PUBLIC SESSION I WOULD BE MORE THAN WILLING TO CONTINUE THIS HEARING IN EXECUTIVE SESSION. SUBSEQUENTLY, OF COURSE, WE COULD RELEASE PUBLICLY ALL OF THE TESTIMONY THAT DID NOT NEED TO BE CLASSIFIED.

6. IF YOU WISH, MR. CHAIRMAN, I AM PREPARED TO GIVE YOU A BRIEF SUMMARY OF THE CURRENT SITUATION IN CHILE AS WE UNDERSTAND IT, ALTHOUGH I ASSUME THAT MOST OF THE MEMBERS PRESENT HAVE A GOOD IDEA OF THE GENERAL CONDITIONS IN THE COUNTRY NOW AND EVENTS LEADING UP TO THE COUP.

7. HOWEVER, PERHAPS I SHOULD TAKE THIS OPPORTUNITY AT THE OUTSET TO COMMENT ON FALSE CHARGES FROM SOME QUARTERS THAT THE UNITED STATES GOVERNMENT HAD ADVANCE KNOWLEDGE OF OR PARTICIPATED IN SOME WAY IN THE OVERTHROW AND DEATH OF PRESIDENT ALLENDE.

8. GENTLEMEN, I WISH TO STATE AS FLATLY AND AS CATEGORICALLY AS I POSSIBLY CAN THAT WE DID NOT HAVE ADVANCE KNOWLEDGE OF THE COUP THAT TOOK PLACE ON SEPTEMBER 11. IN THE LIGHT OF WHAT I CONSIDER TO BE SOME RATHER IMPRECISE REPORTING ON THE MATTER, I WANT TO DISTINGUISH BETWEEN OUR RECEIVING REPORTS ABOUT THE POSSIBILITY OF A COUP IN CHILE AND OUR HAVING ADVANCE KNOWLEDGE THAT A COUP WOULD TAKE PLACE.

9. THE FACTS ARE THAT WE HAD RECEIVED MANY REPORTS OVER A LONG PERIOD OF TIME ABOUT THE POSSIBILITY OF A COUP IN CHILE. SUCH REPORTS AND SPECULATIONS WERE RIFE IN CHILE ITSELF. INDEED, PRESIDENT ALLENDE HIMSELF HAD COMMENTED PUBLICLY ABOUT THEM AND THERE WAS EVEN A REPORT IN A SANTIAGO DAILY NEWSPAPER ON SEPTEMBER 11 THAT A COUP BY THE CHILEAN ARMED FORCES WAS SCHEDULED FOR THAT VERY DAY.

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10. ALL OF THE EARLIER REPORTS THAT HAD SPECULATED ABOUT OR PREDICTED COUP ATTEMPTS TURNED OUT TO BE FALSE EXCEPT THE LAST ONE, WHICH WAS RECEIVED IN OUR OFFICES TUESDAY MORNING, SEPTEMBER 11 AFTER THE COUP HAD ALREADY BEGUN.

11. HOWEVER, THERE WAS NO CONTACT WHATSOEVER BY THE ORGANIZERS AND LEADERS OF THE COUP DIRECTLY WITH US AND WE DID NOT HAVE DEFINITE KNOWLEDGE OF IT IN ADVANCE.

12. IN A SIMILAR VEIN, EITHER EXPLICITLY OR IMPLICITLY, THE UNITED STATES GOVERNMENT HAS BEEN CHARGED WITH INVOLVEMENT OR COMPLICITY IN THE COUP. THIS IS ABSOLUTELY FALSE. AS OFFICIAL SPOKESMEN OF THE UNITED STATES GOVERNMENT HAVE STATED REPEATEDLY, WE WERE NOT INVOLVED IN THE COUP IN ANY WAY.

13. I WOULD AT THIS POINT LIKE TO COMMENT ALSO ON THE SUBJECT OF UNITED STATES-CHILE ECONOMIC RELATIONS DURING THE PAST SEVERAL YEARS.

14. IN MY OPINION, THE POSITION OF THE UNITED STATES GOVERNMENT WAS QUITE CORRECT AND FULLY UNDERSTANDABLE. THE UNITED STATES HAD NO DESIRE TO PROVOKE A CONFRONTATION WITH THE ALLENDE GOVERNMENT. ON THE CONTRARY, STRONG EFFORTS WERE REPEATEDLY MADE TO SEEK WAYS TO RESOLVE OUR DIFFERENCES, ALTHOUGH THERE WERE EXPROPRIATIONS WITHOUT COMPENSATION BY THE CHILEAN GOVERNMENT OF OVER \$700 MILLION OF AMERICAN PRIVATE INVESTMENT DURING THIS PERIOD. IN ADDITION, CHILE DEFAULTED ON OVER \$100 MILLION IN DEBT TO THE UNITED STATES GOVERNMENT IN THE SAME PERIOD.

15. THE FACTS ARE THAT THERE WERE NO EMBARGOES OR RESTRICTIONS PLACED ON TRADE WITH CHILE. UNITED STATES FIRMS CONTINUED TO BE MAJOR SUPPLIERS OF FOOD, PARTS AND EQUIPMENT FOR THE CHILEAN ECONOMY. BILATERALLY, WE CONTINUED A VARIETY OF PROGRAMS, SUCH AS A.I.D. PEOPLE-TO-PEOPLE ACTIVITIES, FOOD FOR PEACE ASSISTANCE, THE PEACE CORPS, AND SCIENTIFIC AND CULTURAL EXCHANGES. WE CONTINUED TO DISBURSE NORMALLY ON THE REMAINING A.I.D. WERE NO NEW BILATERAL DEVELOPMENT LOANS, IT SHOULD BE NOTED THAT WE HAD CUT BACK SHARPLY ON A.I.D. DEVELOPMENT

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LENDING IN LATIN AMERICA, INCLUDING CHILE, EVEN BEFORE THE ALLENDE GOVERNMENT TOOK OFFICE. IN ANY CASE, THE CHILEAN GOVERNMENT DID NOT REQUEST ANY NEW DEVELOPMENT LOANS.

16. IN THE INTERNATIONAL FIELD, MULTILATERAL BANKS CONTINUED TO DISBURSE EXISTING LOANS TO CHILE TOTALLING

\$83 MILLION FROM AUGUST 1971 - AUGUST 1973, THIS SUM REPRESENTING AN INCREASE IN ANNUAL DISBURSEMENTS AS COMPARED WITH THE THREE YEARS PRIOR TO DR. ALLENDE'S COMING TO POWER.

17. HOWEVER, THE ECONOMIC POLICIES THEMSELVES THAT WERE PURSUED BY THE ALLENDE GOVERNMENT RESULTED IN THE STEADILY

DETERIORATING ECONOMIC SITUATION. THE UNWILLINGNESS OF THE GOVERNMENT TO MODIFY ITS POLICIES MADE IT INEVITABLE THAT INTERNATIONAL LENDING AGENCIES WOULD CURTAIL THEIR PROGRAMS FOR CHILE AND, IN ANY CASE, THE UNITED STATES COULD NOT HAVE VOTED FAVORABLY FOR SOME OF THIS ASSISTANCE BECAUSE OF LEGAL RESTRICTIONS.

18. THE PARIS CLUB, CONSISTING OF VARIOUS CREDITOR NATIONS, CONCLUDED THERE WAS LITTLE THAT COULD BE DONE FOR CHILE UNLESS THE GOVERNMENT ADOPTED POLICIES THEY COULD SUPPORT. I REPEAT, HOWEVER, THAT IT WAS NOT THE UNITED STATES, BUT THE INSTITUTIONS, THEMSELVES, WHICH MADE THEIR DECISIONS.

19. IN SUM IT IS UNTRUE TO SAY THAT THE UNITED STATES GOVERNMENT WAS RESPONSIBLE - EITHER DIRECTLY OR INDIRECTLY - FOR THE OVERTHROW OF THE ALLENDE REGIME.

20. MUCH CONCERN HAS NATURALLY BEEN SHOWN FOR THE HUMAN TRAGEDY THAT HAS RESULTED FROM RECENT EVENTS IN CHILE. THE AMERICAN PEOPLE AND THEIR GOVERNMENT HAVE TRADITIONALLY DEMONSTRATED SUCH CONCERN FOR THE SUFFERING OF OTHERS THROUGHOUT THE WORLD. THE UNITED STATES HAS GIVEN ACTIVE SUPPORT IN NUMEROUS WAYS TO ALLEVIATING SUFFERING AND FURTHERING THE RESPECT OF HUMAN RIGHTS. WITH REGARD TO CHILE, WE HAVE ALREADY EXPRESSED REGRET AT THE LOSS OF UNCLASSIFIED

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HUMAN LIVES AND AT THE DEATH OF PRESIDENT ALLENDE.

21. WE HAVE ALSO BEEN CONCERNED WITH REPORTS OF VIOLATIONS OF HUMAN RIGHTS IN CHILE. HOWEVER, TO MY KNOWLEDGE, MANY OF THESE REPORTS ARE UNSUBSTANTIATED AND NOT NECESSARILY INDICATIVE OF THE POLICIES TO BE FOLLOWED BY THE NEW GOVERNMENT OF CHILE ONCE THE SITUATION THERE HAS FULLY STABILIZED.

22. MOREOVER, I UNDERSTAND THAT THE CHILEAN AUTHORITIES HAVE ALREADY GIVEN THE UN HUMAN RIGHTS COMMISSION ASSURANCES WITH REGARD TO THE REFUGEES IN THAT COUNTRY.

23. MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, IN CLOSING I WOULD LIKE TO EMPHASIZE ONCE AGAIN THAT THE SITUATION IN CHILE IS AN EVOLVING ONE. AS THE NEW GOVERNMENT BEGINS TO SET OUT ITS ECONOMIC, SOCIAL AND OTHER POLICIES, WE WILL ENDEAVOR TO FORMULATE OUR OWN POLICIES TO RESPOND TO THE REALITIES OF THE NEW SITUATION.

24. WE WERE NOT RESPONSIBLE FOR THE DIFFICULTIES IN WHICH CHILE FOUND ITSELF, AND IT IS NOT FOR US TO JUDGE WHAT

WOULD HAVE BEEN BEST OR WILL NOW BE BEST FOR THE CHILEAN PEOPLE.

25. THAT IS FOR CHILEANS THEMSELVES TO DECIDE, AND WE RESPECT THEIR RIGHT TO DO THIS. IF IN THE TASKS THAT FACE THEM NOW, WE CAN BE OF HELP, AND IF OUR HELP IS WANTED BY CHILE, I AM SURE WE WILL DO OUR BEST TO PROVIDE IT IN THE SPIRIT OF UNDERSTANDING AND FRIENDSHIP THAT THE AMERICAN PEOPLE HAVE LONG FELT FOR THE PEOPLE OF CHILE. UNQUOTE.  
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